

Vanguard® Growth and Income Fund

Admiral™ Shares

Growth and income stock fund

Investment objective

Vanguard Growth and Income Fund seeks to provide a total return (capital appreciation plus dividend income) greater than the return of the Standard & Poor's 500 Index.

Investment strategy

The fund's advisor uses computer models to select a broadly diversified group of stocks that, as a whole, have investment characteristics similar to those of the S&P 500 Index, but are expected to provide a higher total return than that of the index. At least 65% (and typically more than 90%) of the fund's assets will be invested in stocks that are included in the index. Most of the stocks held by the fund provide dividend income as well as the potential for capital appreciation.

See reverse side for fund profile.

Note on frequent trading restrictions: Frequent trading policies may apply to those funds offered as investment options within your plan. Please log on to Vanguard.com for your employer plans or contact Participant Services at 800-523-1188 for additional information.

Who should invest

- Investors seeking long-term growth of capital and income.
- Investors with a long-term investment horizon (at least five years).

Who should not invest

- Investors unwilling to accept significant fluctuations in share price.

Total net assets: \$2,235 million

Expense ratio: 0.23%
as of September 30, 2005

Ticker symbol: VGIAX

Newspaper listing: GroIncAdml

Inception date: May 14, 2001

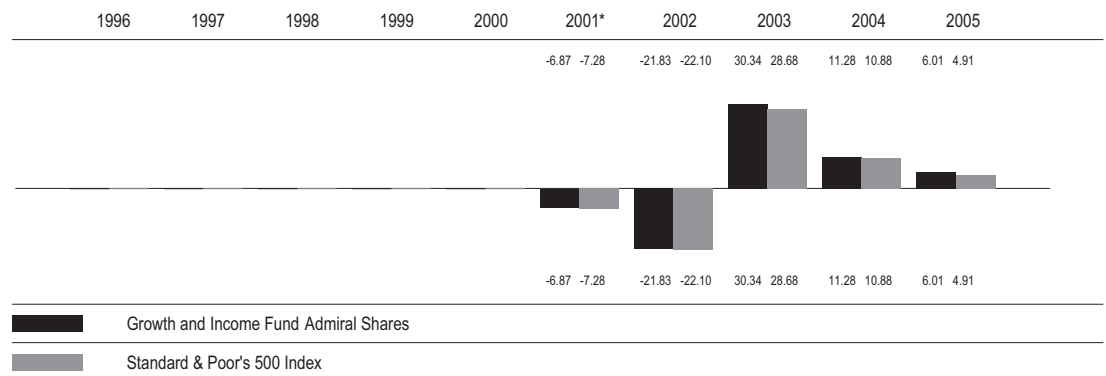
Fund number: 0593

Overall risk level:



Performance

Annual returns 2001–2005



Total returns

	Periods Ended June 30, 2006						
	Quarter	Year to Date	One Year	Three Years	Five Years	Ten Years	Since Inception
Growth and Income Fund Admiral Shares	-1.95%	1.74%	7.80%	11.91%	2.94%	—	2.57%
Standard & Poor's 500 Index	-1.44%	2.71%	8.63%	11.22%	2.49%	8.32%	—

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at www.vanguard.com.

Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

S&P 500 Index: A widely used barometer of U.S. stock market performance; as a market-weighted index of leading companies in leading industries, it is dominated by large-capitalization companies.

*Partial return since fund started, May 14, 2001.

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Plain talk about risk

An investment in the fund could lose money over short or even long periods. You should expect the fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The fund's performance could be hurt by:

Investment style risk, which is the chance that returns from large-capitalization stocks will trail returns from the overall stock market. Specific stocks tend to go through cycles of doing better—or worse—than the stock market in general. These periods have, in the past, lasted for as long as several years.

Manager risk, which is the chance that poor security selection will cause the fund to underperform other funds with a similar investment objective.

Stock market risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Investment terms

Dividends: Payments made by companies to investors in their stock. The payments typically depend on economic conditions and the company's financial health.

Expenses: The costs of running a fund, expressed as a percentage of the fund's assets. For example, a fund may have expenses that total 0.30% (less than half of 1%) of its assets.

Mutual fund: An investment company that pools the money of many shareholders and invests it in a variety of securities in an effort to achieve a specific objective over time.

Total return: The change in the value of an investment, plus any income from interest or dividends. The standard measure of a mutual fund's performance.

Fund profile

as of June 30, 2006

Top sector holdings—Stocks

Consumer Discretionary	11.4%
Consumer Staples	6.6
Energy	9.8
Financials	20.6
Health Care	12.8
Industrials	13.5
Information Technology	14.6
Materials	4.1
Telecommunication Services	2.6
Utilities	4.0

Ten largest holdings*

1.	ExxonMobil Corp.	
2.	General Electric Co.	
3.	Bank of America Corp.	
4.	International Business Machines Corp.	
5.	Merck & Co., Inc.	
6.	ConocoPhillips Co.	
7.	Johnson & Johnson	
8.	News Corp., Class A	
9.	Lowe's Cos., Inc.	
10.	Hewlett-Packard Co.	
Top 10 as % of Total Net Assets		27.9%

*Fund holdings are subject to change. "Ten largest holdings" excludes any temporary cash investments and index products.

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For more information about Vanguard funds, visit www.vanguard.com, or call 800-523-1188, to obtain a prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.

Financial advisor clients: For more information about Vanguard funds, contact your financial advisor to obtain a prospectus.